

**PSAP Grant Program
Decision Brief**

Type of Request: Evaluation of 10% Rule for Administrative vs Board Review of Amendments	Date Submitted: June 23, 2021
PSAPs: All Virginia PSAPs	Amount of Request: N/A
Staff Recommendation: Approve	

1. Briefly define the problem/issue:

In May 2021, the 9-1-1 Services Board did not meet. As a result, there were several amendments for more than 10% of the project cost that were not considered or acted upon by the Board at that meeting. Due to scheduling conflicts, the next opportunity for the Board to meet is the July, 2021 Board meeting.

With regard to the award amendment needed for Botetourt County, (and potentially other PSAPs in the future), the quotes for diverse connectivity from Verizon or other providers are valid for only 90 days. In instances where the Grant Committee has acted on an amendment request with a recommendation for Board approval, but where the Board is unable to meet to act upon said request, the diversity quote will expire before the Board can act upon the amendment request.

This process requires AT&T to go back to the fiber provider to obtain a new quote and for the PSAP to sign a new diversity contract with AT&T, starting the cycle over again, and delaying the project by at least three months.

Additionally, the 10% rule as currently stated, disproportionately impacts most of Virginia's PSAPs and the rule currently benefits PSAPs with higher "delta costs" (meaning they are larger PSAPs who have very high current 9-1-1 bills)

Smaller PSAPs often have lower "delta payments" and also tend to have a greater proportion of the impact from not having diversity quoted in their migration proposal due to it not being available. As a result, their total project costs are lower, and their 10% threshold is also lower.

2. Background (include important dates):

At the September 17, 2020 Board meeting, the Board voted to set a 10% cap on the ability of staff to administratively approve grant amendments. Based on Board action, grant amendments greater than 10% of the existing total project cost would require Board approval.

As an example, the Botetourt amendment required Board action because their original project cost was \$176,256.60 and their request for \$23,021.00 exceeded the 10% threshold. Botetourt's original project costs were extremely low compared to other PSAPs because their migration proposal did not include a value for diversity because it was not available at the time.

This was presented to the Finance Committee during the open comment period at their June 10, 2021 meeting. The reason for doing this was to provide visibility to both the Board members on the Finance Committee and to the PSAP community, with further information pending for the Board meeting in July, 2021. However, since the Board was the entity that constituted the 10% rule, the Board, and not a committee of the Board, would be the one that would need to make any changes to the current rules for administrative review.

3. Major Considerations:

As of 6/23/21, total costs per PSAP fall into the following groupings:

- 26 PSAPS – Less than \$250,000
- 60 PSAPS - \$250,000 to \$500,000
- 25 PSAPS - \$500,000 to \$1,000,000
- 12 PSAPS – Greater than \$1,000,000

The total statewide budget for 123 PSAPs as of 6/23/21 is \$61,430,435.71

This is an average of \$499,434.44 per PSAP or roughly \$500,000

86 of the 123 PSAPS (70%) have total project costs under \$500,000 and their threshold for Board review is currently less than \$50,000

The remaining 30% of PSAPs currently have a higher threshold for their 10% review, primarily because they either have high 24 month delta payment costs, or because they were quoted high diversity costs in their migration proposals.

Establishing the flat rate of \$50,000 would both support a 10% rule (for what is seen statewide), as well as benefit most Virginia PSAPs. Enabling their amendment review to proceed in a matter of days via administrative review compared to potentially 3+ months in the case of Board review is a tradeoff that the Board and its committees will need to consider.

Since March 2020, there have been 64 amendments of under \$50,000. They have totaled \$778,671.29 for an average of \$12,359.86 per PSAP

The amendments of more than \$50,000 included:

- 2 - CHE Replacements - \$400,000
- 3 – Diversity - \$714,358.69
- 3 – Monthly Delta - \$968,398.90

4. Recommended action:

Since the 10% rule was constituted by the Board in September, 2020, the Board will need to take action on award amendments in which the increased cost would exceed 10% of the total project cost. However, since the PSAP Grant Committee provides guidance and recommendation on amendments prior to Board consideration and approval, staff is providing the PSAP Grant Committee with an opportunity to provide their input to the Board on a recommended path forward for which amendments would need to come to the Board (AND the Grant Committee) for review, and which amendments could be handled administratively by staff.

Staff is recommending that the 10% rule be amended to state that staff may make administrative amendments for all requests of less than \$50,000, and for any requests greater than \$50,000 which are less than 10% of the PSAP's total project cost.

This would place all amendments of >\$50,000 that are also more than 10% of the project cost under the review of the PSAP Grant Committee and the Board.

Staff is requesting concurrence with this recommendation, or a substitute recommendation that could be presented to the Board for review.

5. Alternatives to recommended action:

No Action – Deferring to the Board without input from the PSAP Grant Committee